George Fasano, Jr.Senior Vice President & Assistant Treasurer

gfasano@scana.com



September 16, 2005



Mr. Charles Terreni Chief Clerk & Administrator Public Service Commission of SC Post Office Drawer 11649 Columbia, SC 29211

Dear Mr. Terreni:

In compliance with PSC Order 2004-510 in Docket No. 2004-6-G, enclosed please find the report on South Carolina Pipeline Corporation's hedging activities for the period 12/29/04-1/27/05.

If you have any questions concerning this report, please do not hesitate to call.

Sincerely,

Meorge Fasano, Jr.

Enclosures as indicated

N:Word/Hedge Activities PSC

Mark to Market Results For the Hedging of February 2005 Volumes 12/29 - 1/27

Mark to Market vs. Average Market Price

Contract Settle

Net gain/(loss) from options transactions

6.288

			Sales			Purchases		
	Dete	Contracto	D-i	Mark to	0		Mark to	Daily
	<u>Date</u>	Contracts	<u>Price</u>	<u>Market</u>	Contracts	Price	Market	Settle
1	12/29/04	•	-	\$0	-	•	\$0	6.213
2	12/30/04	-	-	\$0	-	-	\$0	6.149
3	01/03/05	•	-	\$0	•		\$0	5.790
4	01/04/05	-	-	\$0	•	•	\$0	5.902
5	01/05/05	•	-	\$0	-	-	\$0	5.833
6	01/06/05	•	-	\$0	-	-	\$0	6.049
7 8	01/07/05 01/10/05	•	-	\$0 \$0	-	•	\$0	6.001
9	01/10/05	<u>-</u>	-	\$0 \$0	<u>-</u>	•	\$0 \$0	6.159 6.095
10	01/12/05	-	-	\$0	-	-	\$0 \$0	5.943
11	01/13/05		-	\$0	•	•	\$0	6.445
12		-	-	\$0	-	-	\$0	6.395
13	01/17/05	•		\$0	•	•	\$0	6.395
14	01/18/05	•	-	\$0	_	-	\$0	6.137
15	01/19/05	•	-	\$0	-	• -	\$0	6.293
16	01/20/05	-	•	\$0	-	-	\$0	6.308
17		•	-	\$0	•	-	\$0	6.240
18	01/24/05	-	-	\$0	-	-	\$0	6.476
			-					
		0	;	-	0		\$ -	
				Coin//Lone\ fro	om fishsran transan	otiono	•	
					om futures transa om option transac		\$ (1,704,650) *	*
					om financial trans		\$ (1,704,650)	
							<u> </u>	
19	01/25/05	0	0.000	\$0	0	0.000	\$0	6.40
20	01/26/05	0	0.000	\$0	0	0.000	\$0	6.38
21	01/27/05	0	0.000 _	\$0	0	0.000	\$0	6.28
		0		\$0	0		\$0	6.185
				Program	Results			
		NYMEX Average Mark	et Price				\$ 6.1858	
		Purchase Price Achiev Difference	ved per Normal	Scenario			6.1858	
		Ratio of Contract in No	rmai Scenario I	to Total Contracts	in Plan		*	
		Price Gain (Loss) per I	Normal Scenario	0			**	
		Adjustment for Contract	cts Purchased p	er Low-Price Sce			-	
		Adjustment for Contract	cts Purchased r	er High-Price Sci	enario		(0.8245)	
		Adjustition to Contract						
		Total Price Gain (Loss	•				(0.8245)	
		Total Price Gain (Loss Contracts In Plan)				236	
		Total Price Gain (Loss)				• • •	
** - (Options pur	Total Price Gain (Loss Contracts In Plan) e Market Price	io			236	
** - (Total Price Gain (Loss Contracts In Plan Gain (Loss) vs Averag) e Market Price gh price-scenar			(139.650)	\$ (1,945,820)	
** - (Purc	Total Price Gain (Loss Contracts In Plan Gain (Loss) vs Averag chased as a result of high chased 19 call options x) e Market Price gh price-scenar .735 premium x	(10,000 mmbtu/c	ontract = \$	• • •	\$ (1,945,820)	
** - (Purc	Total Price Gain (Loss Contracts In Plan Gain (Loss) vs Averag chased as a result of high chased 19 call options x chased 14 call options x	e Market Price gh price-scenar .735 premium x .74 premium x	c 10,000 mmbtu/c 10,000 mmbtu/co	ontract = \$ ntract = \$	(103,600)	\$ (1,945,820)	
** - (Puro Puro Puro	Total Price Gain (Loss) Contracts In Plan Gain (Loss) vs Averag chased as a result of high chased 19 call options x chased 14 call options x chased 25 call options x	e Market Price gh price-scenar .735 premium x .74 premium x .71 premium x	(10,000 mmbtu/co 10,000 mmbtu/co 10,000 mmbtu/co	ontract = \$ ntract = \$ ntract = \$	(103,600) (177,500)	\$ (1,945,820)	
** - (Purc Purc Purc Purc	Total Price Gain (Loss) Contracts In Plan Gain (Loss) vs Averag chased as a result of high chased 19 call options x chased 14 call options x chased 25 call options x chased 35 call options x	e Market Price gh price-scenar .735 premium x .74 premium x .71 premium x .75 premium x	c 10,000 mmbtu/co 10,000 mmbtu/co 10,000 mmbtu/co 10,000 mmbtu/co	ontract = \$ ntract = \$ ntract = \$ ntract = \$	(103,600) (177,500) (262,500)	\$ (1,945,820)	
** - (Purc Purc Purc Purc Purc	Total Price Gain (Loss) Contracts In Plan Gain (Loss) vs Averag chased as a result of high chased 19 call options x chased 14 call options x chased 25 call options x chased 35 call options x chased 8 call options x	e Market Price gh price-scenar .735 premium x .74 premium x .71 premium x .75 premium x .75 premium x	x 10,000 mmbtu/c 10,000 mmbtu/co 10,000 mmbtu/co 10,000 mmbtu/co 0,000 mmbtu/con	ontract = \$ ntract = \$ ntract = \$ ntract = \$ tract = \$	(103,600) (177,500) (262,500) (58,400)	\$ (1,945,820)	
** - (Purc Purc Purc Purc Purc Purc	Total Price Gain (Loss) Contracts In Plan Gain (Loss) vs Averag chased as a result of high chased 19 call options x chased 14 call options x chased 25 call options x chased 35 call options x chased 8 call options x chased 67 call options x	e Market Price gh price-scenar .735 premium x .74 premium x .71 premium x .75 premium x 73 premium x 10	c 10,000 mmbtu/co 10,000 mmbtu/co 10,000 mmbtu/co 10,000 mmbtu/co 0,000 mmbtu/co 10,000 mmbtu/co	ontract = \$ ntract = \$ ntract = \$ ntract = \$ tract = \$ ntract = \$	(103,600) (177,500) (262,500) (58,400) (515,900)	\$ (1,945,820)	
** - (Purc Purc Purc Purc Purc Purc	Total Price Gain (Loss) Contracts In Plan Gain (Loss) vs Averag chased as a result of high chased 19 call options x chased 14 call options x chased 25 call options x chased 35 call options x chased 8 call options x	e Market Price gh price-scenar .735 premium x .74 premium x .71 premium x .75 premium x 73 premium x 10 .77 premium x .645 premium x	x 10,000 mmbtu/c 10,000 mmbtu/co 10,000 mmbtu/co 10,000 mmbtu/co 0,000 mmbtu/co x 10,000 mmbtu/c	ontract = \$ ntract = \$ ntract = \$ tract = \$ tract = \$ ontract = \$ ontract = \$	(103,600) (177,500) (262,500) (58,400) (515,900) (219,300)	\$ (1,945,820)	

(1,704,650)

South Carolina Pipeline Corporation Risk Menagement Program Adjustments Through January 2006

	••	2002		Total	
	3	January		2005	
commissions	•	,	69		
coftware		3,863		3,863	
lubscriptions		4,500		4,500	
lets Feed		1,457		1,457	
ion Hedging Addition to Cost of Gas		9,820		9,820	
ledging Additions\(Subtractions\)	ļ				
otal Risk Management Program Adj.	"	9,520	-	8,820	

						Results si	Results since inception of program	# program							
	Aug-Dec 1966	Total 1986	Total	Total 1898	 	Total 1999	Total	Total 2001	Total 2002	2 %	Total 2003	10 tag	28	Total 2005	Total
Commissions	\$ 3.924	\$ 53.121	\$ 83,496	\$ 59,11	8	56,199	\$ 50,197	\$ 38,459	\$ 49,415	•	42,907	12,46	49	•	449,298
Software	4.215	9.547	8,847	8,412	8	8,412	17,063	29,176	21,782		12,082	25,549	•	3,863	148,948
Subscriptions	9.582	23,038	25,676	31,27	7	31,188	34,387	31,240	31,188		51,054	8,0	0	4,500	327,130
Data Feed	2,061	5,296	6,429	5,30	S.	3,575	4,200	4,236	4,413		5,568	6,10	•	1,457	48,643
Non Hedging Addition to Cost of Gas	19,782	91,002	124,448	104,108	 so	99,374	105,847	103,110	106,798	-	111,610	98,121		9,820	974,018
Hedging Additions (Subtractions)	(284,600)	(3,722,050)	27,450	3,410,260		(838,620)	(4,136,410)	12,684,200	11,012,500	(14,7	(14,781,610)	2,315,013	m		5,686,133
Total Risk Management Program Adj.	\$ (264,818)	\$ (264,812) \$ (3,631,043) \$ 16	\$ 151,898	\$ 3,614,366	•	(739,246)	\$ (4,830,563)	\$ 12,787,310	\$ 11,119,298	\$ (14.6	(14,679,000)	2,413,13		8,820	6,660,161

South Carolina Pipellne Corporation Futures Transactions and Additional Costs Effect on Cost of Gas Through January 2005

Month	<u>Yr</u>	Cost of Gas Without Futures	Cost of Gas With Futures & Additional Costs	Addition to/ (Subtraction from) Cost of Gas
1995 Total		26,240,595	25,975,777	(264,818)
1996 Total		113,461,568	109,830,520	(3,631,048)
1997 Total		132,211,553	132,363,451	151,898
1998 Total		81,397,552	84,911,918	3,514,366
1999 Total		96,671,309	95,932,063	(739,246)
2000 Total		177,625,268	173,594,705	(4,030,563)
2001 Total		203,284,081	216,071,391	12,787,310
2002 Total		143,116,542	154,235,840	11,119,298
2003 Total		208,851,322	194,181,322	(14,670,000)
2004 Total		214,449,674	216,862,809	2,413,134
January	05	31,376,227	31,386,047	9,820
Total		\$1,428,685,691	\$1,435,345,844	\$ 6,660,152

South Carolina Pipeline Corporation Program Results Through February 2005

	ł		1							•	al
	2008	, 49	•	•					•	286	8(1,471,19
8	February	\$ 6.9684 \$ 6.1858	٠	6.1858		•	•	(0.8245)	(0.8245)	88	\$ (1,945,620) \$(1,471,190)
8	January	\$ 6.9684	•	6.9664	•	•		0.7534	0.7534	8	\$ 474,630
'	• '	NYMEX Average Market Price	Purchase Price Achieved per Normal Scenario	Difference	Ratio of Contracts in Normal Scenario to Total Contracts in	Price Gain (Loss) - Normal Scenario	Adjustment for Contracts Purchased per Low-Price Scena	Adjustment for Contracts Purchased per High-Price Scens	Total Price Gain (Loss)	Contracts in Plan	Gain (Loss) vs Average Market Price

							2	Results since inception of program	i inception	of program								
	Ang-Dec		Total	Total		Total	Toga	ř	Total	Total	Total	Tota	æ	Total	Total	_		
	400		8	1997		1998	98	~	00	2001	2002	X	8	2004	2002		Total	I
] 																
	•	٠			4				,		•	ç,	,	,	•		•	
NYMEX Average Market Price	,	A		, P	•	•	•	•				,		•			٠	
Purchase Price Achieved per Normal Scenario	,		,	'	1	,	'											ı
Difference	•		•	•			•				•			•			•	
Ratio of Contracts in Normal Scenario to Total Contracts in Plan	- Plan										•			•			•	
Price Gain (Loss) - Normal Scenario											•			•			•	
Adjustment for Contracts Purchased per Low-Price Scenario	٩										•			•			•	
Adjustment for Contracts Purchased per High-Price Scenario	Ę.																	ł
Tatal Daiso Coin A cont														•			•	
	*	•	1 350	00	74	2.431	2.3	72	2,206	2,307	2,286		855	731		88	17,08	اي
	\$ 40.254 \$ 1.324.047 \$	9	224 047	\$ 131.9	5	(1.672.780)	\$ 1.772.8	63 \$ 1.2	759,46	£ (11,388,358)	\$ (12,400,430)	\$ 10,37	9,773	1,518,924	\$ (1,47"	9	(13,762,72	ଜ୍ଞା
CARIT (LOSS) YS AVELAGE INIGHACA FIRE																		l

South Carolina Pipeline Corporation Contracts Purchased in Advance of Spot Month Updated Through January 27, 2005

				Sales			Purchases					
Contract	Type of	Date	Number of			Total	N	umber of			Total	
<u>Month</u>	Security	Purchased	Contracts	<u>Price</u>		<u>Dollars</u>	<u>C</u>	ontracts	<u>Price</u>		<u>Dollars</u>	
March 2005	Call Options	12/14/04	-		\$	-		83	0.885	\$	734,600	
		12/17/04	-		\$	-		55	0.900	\$	495,000	
		12/20/04	-		\$	-		55	0.815	\$	448,100	
			-		<u>\$</u>	-		-		\$		
			-			-		193		\$	1,677,700	
							Pe	r Contract		I	otal Dollars	
			of call option				\$	0.8693		\$	(1,677,700)	
			t of outstandi		ons		\$	0.1262		\$	243,650	
	March 2005 t		f on sale of ca gain/(loss)	ii opuons			\$ \$	(0.7430)		\$	(1,434,050)	
***************************************		******************************	********************************		***********	***************************************	***************************************	************************			***************************************	
April 2005	Call Options	12/14/04	-		\$	-		35	0.642		224,600	
		12/17/04	-		\$	-		23	0.680	-	156,400	
		12/20/04	-		\$	-		23	0.610	\$	140,200	
			-		\$	-				\$		
			-			-		81		\$	521,200	
							_	r Contract		I	otal Dollars	
			of call options	46 41			\$	0.6435		\$	(521,200)	
			of outstanding		ns		\$	0.2955		\$	239,340	
	April 2005 tut April 2005 tot		on sale of call	opuons			\$ \$	(0.3480)		\$	(281,860)	
0-r00-r00-r00-r00-r00-r00-r00-r00-r00-r	April 2000 tot	ai deletted ge	zii i/ (1065)	**************		***********************************	.	(0.5400)	***************************************	-	(201,000)	
May 2005	Call Options	12/17/04	•		\$	**		23	0.660	\$	151,800	
,		12/20/04	-		\$	-		22	0.593		130,350	
			_		\$	_		-		\$	·~	
								45	•	\$	282,150	
								r Contract		I	otal Dollars	
			of call options				\$	0.6270		\$	(282,150)	
	•		of outstanding	•	ns		\$	0.3587		\$	161,400	
			on sale of call	options			\$	(0.0000)		<u>\$</u>	(400.750)	
	May 2005 tot	al deferred ga	ain/(ioss)				\$	(0.2683)		\$	(120,750)	
June 2005	Call Options	12/17/04			\$	TP	,	32	0.700	\$	224,000	
	ou. Opiiono	12/20/04	-		\$			32	0.635		203,200	
			-		\$	-		-		\$		
			**				**********	64		\$	427,200	
							Pe	r Contract		1	otal Dollars	
			of call options				\$	0.6675		\$	(427,200)	
			of outstandin		ns		\$	0.4268		\$	273,120	
			on sale of cal	options			\$	- (0.0400)		\$	(484.000)	
	June 2005 to	tal deferred g	ain/(loss)				\$	(0.2408)		\$_	(154,080)	